

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD MEETING
JULY 9th, 2008
INDIANA GOVERNMENT CENTER SOUTH
10 N. SENATE AVENUE, ROOM 301 A
INDIANAPOLIS, IN 46204

Members present were Samuel Schlosser, President; Dave Thomas, Vice-President; Barry Baer; Kevin Tully; Joe Evans; Kent Tolliver; Randy Maxwell, Paula Presnoples, and David Collins. Also in attendance were Teresa Voors, Commissioner; Scott Sanders, Chief Financial Officer; John Ruckelshaus, Deputy Commissioner of Governmental Affairs; Dustin Stohler, Deputy Commissioner of Legal Affairs and Administration; Randy Gillespie, Budget Director; and Gary Abell, Press Secretary. It was noted a quorum was present

The meeting was called to order by Sam Schlosser at 10:10am.

Mr. Schlosser welcomed guests Ed Roberts, Indianapolis Manufacturers Association; Don Peitersen, American Institute for Full Employment; Jerry Conover, Indiana Business Research Center; Joe Breedlove, Secretary/Treasurer of Indiana AFL-CIO; and Andy Bowman, Senate Chair for the Labor Committee and Legislative Assistant.

COMMISSIONERS REPORT

Ms. Voors thanked Mr. Peitersen and Mr. Conover for attending the UI Board meeting. Ms. Voors recapped recent events which occurred in Indiana creating an impact on the Department of Workforce Development. These events included the Workone office fire in Vincennes Indiana this past spring and the recent flooding of parts of Southern Indiana and the establishment of recovery centers for those affected. Ms. Voors stated the Vincennes WorkOne office is now searching for a space to build a new office and that efforts to aid Indiana flood victims were a success and implemented appropriately and quickly.

Ms. Voors introduced the National Emergency Grant. This grant will be the next phase for cleaning up parts of Southern Indiana which were damaged or destroyed by the flooding while employing Hoosiers currently claiming unemployment insurance or those with exhausted benefits. The grant will allow the unemployed to work as clean up crews which will aid them in finding employment. Ms. Voors noted the second phase will be communicating with the county Commissioners for the disaster counties in developing a plan for their residents affected by the flood.

Ms. Voors discussed the new extended benefits bill passed by President Bush earlier in the month. The extended benefits will aid Hoosiers with exhausted benefits since May 2007 and provide them with 13 additional weeks of unemployment insurance. Additionally Ms. Voors discussed the launch of the new career website www.indianacareerconnect.com along with the integration model effectively in practice

at the WorkOne offices. Both tools are being utilized to aid Hoosiers in obtaining new and better jobs.

Mr. Schlosser thanked the team for all their outstanding efforts and response to Indiana.

OLD BUSINESS

Mr. Schlosser moved the motion to approve the previous meeting minutes, a copy of which is included in the notes. Mr. Evans seconded the motion. All board members approved.

OPERATIONAL UPDATE

Mr. Sanders gave a brief overview on the Disaster Unemployment Assistance (DUA) claims. A 40th county was recently added to a list of Indiana county's deemed a disaster county as a result of the June 6th flooding in Southern Indiana, a copy of the map is included in the minutes.. Mr. Sanders explained that the DUA claims did affect the Trust Fund. Ms. Voors and Mr. Sanders discussed the Columbus Hospital and their efforts to keep their employees employed and paid.

Mr. Sanders discussed the extended benefits in effect. The money paid out of the Trust Fund will be refunded by the Federal Government and should not adversely affect Indiana's Trust Fund. Mr. Roberts and Mr. Sanders discussed some limitations on claiming extended benefits.

Mr. Sanders reviewed Indiana's manufacturing industry. Cummins has continued to see decreased production in Dodge Durango engines along with Kokomo and Elkhart RV production as a result of increased gas prices. Total claims from the previous few weeks have risen due to an anticipated spike in the July 4th lay offs. In house collections are continuing to increase. Currently the collections are up \$6 million from last year and were at \$233 million at the end of June.

Mr. Stohler gave an update on the progress of the collections contract. Two vendors have been selected and given to the Department of Administration. In the next two weeks the vendor should be selected and the final contract should be ready by August 1st.

Mr. Sanders stated the Annual Report is ready for viewing and will be sent out to all board members following the meeting. Mr. Sanders also discussed with the board that the department is still looking into the Directors and Officers Insurance and are currently collecting information to have ready for the next board meeting. Mr. Sanders will have Mr. Gillespie check into information from PERF. Mr. Stohler is still waiting for information from the Attorney General's office.

NEW BUSINESS

Mr. Sanders suggested the Subcommittee meeting be held prior to the next Unemployment Insurance Board meeting.

Mr. Peitersen and Mr. Conover began with an update on the IBRC/AIFE research. Mr. Conover confirmed the purpose of the project is to figure out what levers can reduce or eliminate a deficit in the Trust Fund that will occur if no changes are made and to look into changing key factors such as tax rate, wage base, and eligibility regulations.

Mr. Conover presented a power point of various scenarios with the board and the mix and match affect that could be had on the Trust Fund as a preliminary example, a copy of which is included in the notes. Following the presentation Mr. Sanders agreed the examples were a good step forward. Mr. Baer and Mr. Peitersen discussed Trust Fund standards across the U.S. though Mr. Peitersen expressed his dislike for standards due to the individuality of each state.

Mr. Sanders moved to discuss The Department of Workforce Developments Resolution for the claims department. The resolution is focused on working to improve the efficiency of the administration of the Employment and Training Services Fund (Penalty and Interest Fund) by using \$1.4 million to restructure the claims department to run more efficiently and effectively. New half-walled cubes will be purchased and technology will be re-wired to improve communication and processing. A copy of the resolution is provided in the minutes. The transition goal is one month.

Ms. Voors explained the resolution will complete phase two. Phase one was completed when the claims department was all grouped on the same floor.

Mr. Schlosser motioned to approve the resolution. Mr. Baer moved the motion. All board members where in favor and the motion passed. Mr. Roberts stated he was on the board of Penn Products and agreed to help the team if needed.

ADJOURNMENT

Mr. Schlosser confirmed there were no other comments and adjourned the meeting at 11:20pm. The next board meeting will be held on August 6th, 2008.